

Mr. Chairman,
Excellences,
Ladies and Gentleman,

I am very honoured to be here today and to have this opportunity to greet all participants of this extremely important event on behalf of the Government of Serbia and myself,

We are here present to witness starting into operation of our complex and ambitious Free Trade Agreement that enables countries in the region of South East Europe to trade among each other without restrictions.

Although conscious that we needed closer economic relations, we could not go all the way from the Memorandum of Understanding on trade liberalization under the auspices of Stability Pact for South East Europe in year 2001, later 32 bilateral FTAs to multilateral agreement CEFTA 2006 without some support. And the international community helped us.

At this point let me express our **gratitude to the European Commission** for their overall financial and technical assistance and support at every stage of the trade liberalization process in South Eastern Europe and especially regarding CEFTA negotiations and funding for CEFTA Secretariat.

Allow me also to thank the **Stability Pact for South East Europe - Trade Working Group Secretariat** for its hard work over the last 6 years in always preparing extremely good background documents for discussion and also for their valuable contribution in ensuring the future efficient functioning of the new CEFTA structures.

Ladies and Gentleman,

Let me tell you that our work has already given positive results since period of six years of Stability Pact intra-regional trade shows a big increase of mutual trade in SEE region.

Total trade of Serbia with the region increased by 37, 5%, from 1,6 billion USD in 2004 to 2, 2 billion USD in year 2006. For nine months in 2007 in reached already 2,9 billion USD.

The share of Serbia trade with the countries in the region of SEE grew from 15,8% in 2004 when the majority of FTAs entered into force to 21,3% in 2006.

In period 2004-2006, annual growth rate of export was lower (8, 5% - from 1, 1 to 1, 3 billion USD) than growth rate of import (13, 7% - from 0, 6 to 0, 9 billion USD), but anyway **Serbia recorded an overall trade surplus in trade with CEFTA Parties.**

By exports among CEFTA parties the first ranking is B&H, followed by Montenegro, Macedonia, Croatia, Albania and Moldova.

By imports B&H is also the first trade partner, followed by Croatia, Macedonia, Montenegro, Moldova and Albania.

In 2006 the share of export to CEFTA represented 30% of the overall export of Serbia and the share of imports about 8% of the whole imports from the world.

After the EU, **CEFTA Parties are the second important foreign trade partners of Serbia.**

More specifically, Serbia has a **trade surplus in trade in agricultural products** with the Region.

Ladies and Gentleman,

Having CEFTA in place is **economically** important for development agenda in the region. CEFTA will contribute significantly in dynamizing intraregional trade and facilitating the participation of its members in the multilateral trading system.

At the same time this agreement would be a key factor in attracting foreign direct investments to small SEE countries and thus enable creation of new jobs.

Our process has also a **political** dimension of a huge importance. Today after entering into force of CEFTA we are also sending a strong and clear message to the international community that the Region has reached significant level of rationality and complementarity. We are confident that this regional multilateral agreement will be a good preparation and a significant step further for broader and deeper cooperation in the frame of EU, but also globally.

I have to mention at this point that we are also witnessing and supporting the broadening of interest for CEFTA and its implications through the cooperation established by the **parliamentarians** in the region and through establishing the **Standing Forum of CEFTA Chambers of Commerce.**

Ladies and Gentleman,

At the end let me join the previous speakers in thanking once more Macedonian Government for the excellent organization of this meeting and for their extremely warm hospitality.

Thank you for your attention.